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MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

Financial Statements

Year Ended December 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/16/08

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To the Commissioners of Mosquito Control District No. 1
Cypermort Point, Louisiana

We have compiled the accompanying financial statements of the governmental activities and the major fund of Mosquito Control District No. 1 of the Parish of St. Mary, State of Louisiana (the "District") as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of the management of the District. We have not audited or reviewed the accompanying basic financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The District has not presented the management's discussion and analysis information that the Government Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Franklin, Louisiana
May 7, 2008

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF NET ASSETS
December 31, 2007

ASSETS

| | |
|---|-----------|
| Cash and cash equivalents | \$ 24,666 |
| Investments | 13,937 |
| Ad valorem taxes receivable | 113,379 |
| Other assets | 27 |
| Capital assets, net of accumulated depreciation | <u>-</u> |

Total assets 152,009

LIABILITIES

| | |
|------------------|----------|
| Accounts payable | <u>-</u> |
|------------------|----------|

NET ASSETS

| | |
|---|----------------|
| Invested in capital assets, net of related debt | - |
| Unrestricted | <u>152,009</u> |

Total net assets \$ 152,009

The notes to the financial statements are an integral part of this statement.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF ACTIVITIES
Year Ended December 31, 2007

| | |
|-----------------------------------|-----------------------|
| Expenses: | |
| General government | \$ 5,960 |
| Health and welfare | <u>73,079</u> |
| Total program expenses | 79,039 |
| Program revenues | <u>-</u> |
| Net program expense | <u>(79,039)</u> |
| General revenues | |
| Ad valorem taxes | 119,263 |
| Investment earnings | <u>3,413</u> |
| Total general revenues | <u>122,676</u> |
| Increase in net assets | 43,637 |
| Net assets, beginning of year | <u>108,372</u> |
| Net assets, end of year | <u>\$ 152,009</u> |

The notes to the financial statements are an integral part of this statement.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

BALANCE SHEET – GOVERNMENTAL FUND
GENERAL FUND
December 31, 2007

ASSETS

| | |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 24,666 |
| Investments | 13,937 |
| Receivables | 113,379 |
| Other assets | <u>27</u> |
| Total assets | <u>\$ 152,009</u> |

LIABILITIES AND FUND BALANCE

LIABILITIES

| | |
|------------------|-------------|
| Accounts payable | <u>\$ -</u> |
|------------------|-------------|

FUND BALANCE

| | |
|-------------------------------|----------------|
| Unreserved - | |
| Designated for capital outlay | 3,000 |
| Undesignated | <u>149,009</u> |

| | |
|--------------------|----------------|
| Total fund balance | <u>152,009</u> |
|--------------------|----------------|

| | |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 152,009</u> |
|------------------------------------|-------------------|

The notes to the financial statements are an integral part of this statement.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
December 31, 2007

Total fund balance - governmental fund \$ 108,200

Amounts reported as net assets for governmental activities in the statement of net assets differ from fund balance in the fund financial statements because

The purchase of capital assets are reported as expenditures as they are incurred in governmental funds. The Statement of Net Assets reports capital assets as an asset to the District. These capital assets are depreciated over their estimated useful lives in the Statement of Activities and are not reported in the governmental funds.

| | | |
|--------------------------------|-----------------|----------|
| Cost of capital assets | 20,481 | |
| Less: accumulated depreciation | <u>(20,481)</u> | <u>-</u> |

Total net assets \$ 108,200

The notes to the financial statements are an integral part of this statement.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
GENERAL FUND
Year Ended December 31, 2007

REVENUES

| | |
|-------------------|----------------|
| Ad valorem taxes | \$ 119,263 |
| Interest earnings | <u>3,413</u> |
| Total revenues | <u>122,676</u> |

EXPENDITURES

| | |
|--------------------|---------------|
| Current | |
| General government | 5,960 |
| Health and welfare | <u>72,907</u> |

| | |
|--------------------|---------------|
| Total expenditures | <u>78,867</u> |
|--------------------|---------------|

| | |
|--------------------------------------|--------|
| Excess of revenues over expenditures | 43,809 |
|--------------------------------------|--------|

| | |
|---------------------------------|----------------|
| Fund balance, beginning of year | <u>108,200</u> |
|---------------------------------|----------------|

| | |
|---------------------------|-------------------|
| Fund balance, end of year | <u>\$ 152,009</u> |
|---------------------------|-------------------|

The notes to the financial statements are an integral part of this statement.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2007

| | |
|--|------------------|
| Net change in fund balance - governmental fund | \$ 43,809 |
| Amounts reported for governmental activities in the statement of activities are different as follows: | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense | |
| Depreciation expense | <u>(172)</u> |
| Change in net assets of governmental activities | <u>\$ 43,637</u> |

The notes to the financial statements are an integral part of this statement.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2007

INTRODUCTION

The Mosquito Control District No. 1 of the Parish of St. Mary (the "District") was created under and by virtue of the authority conferred by Article 6, Section 19 of the Louisiana Constitution of 1974, Chapter 23 of Title 33 of the Louisiana Revised Statutes of 1950, and other constitutional and statutory authority supplemental thereto.

The purpose of the District is the abatement, control, eradication and study of mosquitoes and other arthropod of public health importance and all activities incidental thereto.

The Mosquito Control District No. 1 encompasses all territory within Ward 2 of the Parish of St. Mary, lying to the south and southwest of the centerline of the Gulf Intracoastal Waterway.

The governing board of the District is comprised of five members appointed by the St. Mary Parish Council. These board members have not been compensated for their service.

As of and during the year ended December 31, 2007, the District had no employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The District is a component unit of the St. Mary Parish Council, the financial reporting entity for St. Mary Parish. The parish council is financially accountable for the district because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements presents information only on the funds maintained by the District and do not present information on the parish council, the general government services provided by that governmental unit, or the governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2007

device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the district are classified as governmental funds. Governmental funds account for the district's general activities, including the collection and disbursement of specific or legally restricted monies. The following fund type is used by the district.

General Fund – The general operating fund of the district and accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance – Government Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. The following is a summary of how the District accounts for its major sources of revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year of assessment. Interest income on investments and on ad valorem taxes is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are recorded when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2007

(regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the Statement of Activities are derived from users as a fee for services. Program revenues reduce the cost of the function to be financed from general revenues.

E. BUDGETS

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Annually, the Board of Commissioners prepares and adopts a proposed budget for the General Fund.
2. Prior to adoption, the Board publishes in its official journal that the proposed budget is available for inspection and calls for a public hearing on the proposed budget, which is held prior to the adoption of the proposed budget.
3. Budgetary amendments involving increases or decreases in revenues or expenditures require the approval of the board.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or amended by the board.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the district as an extension of formal budgetary integration in the funds.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2007

Investments are limited by Louisiana Revised Statute (R.S. 33:2955) and the district's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments. However, if the original maturities are 90 days or less, the investments are classified as cash equivalents.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation.

| <u>Description</u> | <u>Estimated Lives</u> |
|--------------------|----------------------------|
| Autos & Trucks | 5 years |
| Equipment | 10 years |

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

I. LONG-TERM OBLIGATIONS

There are no long-term obligations of the District outstanding at December 31, 2007.

J. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

K. RESTRICTED NET ASSETS

In the government-wide Statement of Net Assets, net assets are recorded as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2007

L. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2007, the District has cash and cash equivalents (book balances) totaling \$24,666 in an interest-bearing demand deposit checking account. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2007, the District has \$24,696 in deposits (collected bank balances). These deposits are fully secured from risk by federal deposit insurance.

NOTE 3 – INVESTMENTS

The District can invest in securities of the United States Government unless such an investment is expressly prohibited by law.

Investments in the amount of \$13,937 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 1150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be a highly liquid to give its participants immediate access to their account balance.

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2007

NOTE 4 – AD VALOREM TAXES

The District's property tax is levied in October of each year on the assessed value of property (as determined by the St. Mary Parish Assessor) within the District's taxing area. The taxes are due by December 31 and are considered delinquent on January 1 at which time an enforceable lien is attached to the property. The taxes are collected on behalf of the District by the Sheriff and then remitted to the District. For the year ended December 31, 2007, taxes in the amount of 7.19 mills were assessed on property in the District's taxing area with an assessed valuation of \$16,587,190. Total taxes levied totaled \$119,263.

NOTE 5 – CAPITAL ASSETS

Capital assets and depreciation activity for the year ended December 31, 2007 follows:

| | Balance January 1, 2007 | Additions | Deletions/ Adjustments | Balance December 31, 2007 |
|--------------------------------|-------------------------------|-----------------|---------------------------|---------------------------------|
| Autos & Trucks | \$ 13,573 | \$ - | \$ - | \$ 13,573 |
| Equipment | 6,908 | - | - | 6,908 |
| Total | 20,481 | - | - | 20,481 |
| Less: Accumulated depreciation | (20,309) | (172) | - | (20,481) |
| Net capital assets | <u>\$ 172</u> | <u>\$ (172)</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTE 6 – CONCENTRATIONS

Approximately 97% of the District's revenues were from ad valorem taxes.

NOTE 7 – LITIGATION

There is no litigation pending against the District at December 31, 2007.

NOTE 8 – COMPENSATION PAID TO COMMISSIONERS

Members of the Board of Commissioners were not compensated for their services for the year ended December 31, 2007.

REQUIRED SUPPLEMENTAL INFORMATION

MOSQUITO CONTROL DISTRICT NO. 1
OF THE PARISH OF ST. MARY
STATE OF LOUISIANA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND
GENERAL FUND
Year Ended December 31, 2007

| | Budget | | | Variance Favorable (Unfavorable) |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | Actual | |
| Revenues | | | | |
| Ad valorem taxes | \$ 85,000 | \$ 85,000 | \$ 119,263 | \$ 34,263 |
| Interest earnings | 3,600 | 3,600 | 3,413 | (187) |
| Total revenues | <u>88,600</u> | <u>88,600</u> | <u>122,676</u> | <u>34,076</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| Administrative | 6,700 | 6,700 | - | 6,700 |
| Professional fees | - | - | 1,090 | (1,090) |
| Office and administrative | - | - | 325 | (325) |
| Official journal | - | - | 763 | (763) |
| Assessor's Pension | - | - | 3,782 | (3,782) |
| Total general government | <u>6,700</u> | <u>6,700</u> | <u>5,960</u> | <u>740</u> |
| Health and Welfare | | | | |
| Contract spraying | 80,000 | 80,000 | 72,907 | 7,093 |
| Truck and sprayer | - | - | - | - |
| Total health and welfare | <u>80,000</u> | <u>80,000</u> | <u>72,907</u> | <u>7,093</u> |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>86,700</u> | <u>86,700</u> | <u>78,867</u> | <u>7,833</u> |
| Excess (deficiency) of revenues over expenditures | 1,900 | 1,900 | 43,809 | 41,909 |
| Fund balance, beginning of year | <u>116,350</u> | <u>108,200</u> | <u>108,200</u> | - |
| Fund balance, end of year | <u>\$ 118,250</u> | <u>\$ 110,100</u> | <u>\$ 152,009</u> | <u>\$ 41,909</u> |